



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 7/22/2003

GAIN Report Number: MX3312

Mexico

Product Brief

Milk and Dairy Products Report 2003

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Report Highlights:

Mexico will continue importing about 30 percent of all milk and dairy products, such as milk powder, whey, milk formula, butter oil, casein, etc. Imports of consumer ready milk and dairy products have also been growing fast in previous years.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
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[MX]

Market Overview

Mexico will continue importing about 30 percent of all milk and dairy products consumed in the long term, particularly dairy products for processing, such as milk powder, whey, milk formulas, butter oil, casein, etc. Imports of consumer dairy products are growing rapidly, due particularly to NAFTA reduction and elimination of tariffs and quotas. US exporters have a substantial advantage over other international suppliers who are facing tariffs of 10 to 45 percent.

Size and growth rates for overall market and import market

The Mexican milk and dairy market is estimated, in terms of fluid milk, at 13.6 billion liters. About 70 percent is supplied by domestic raw milk production, while the remaining 30 percent is imported, mainly from the US, New Zealand, the European Union and Uruguay. In general, milk and dairy consumption has been growing more than 5 percent annually during the past five years.

From 1998 to 2001, total value and volume of milk and dairy imports increased at an average annual rate of 18 and 12.7 percent, respectively. According to preliminary data, in 2002, Mexico imported 536 thousand metric tons of milk and dairy products, with a total value of \$880 million. In 2001 imports from the US increased 32 percent over the previous year. However, in 2002 Mexico only imported 230 thousand metric tons from the US, a two percent drop from 2001.

Macro-economic/Social factors affecting sales

Sales and consumption of milk and dairy products is affected by slow economic growth, restrictive monetary policy to control inflation, reduction of exports, unemployment, income concentration, and decreasing purchase power.

Based on government data, in 2002 Mexico's Gross Domestic Product (GDP) grew at a rate of 0.9 percent, less than one third of an expected 3.5 percent rate for that year. Among the factors contributing to the decline of the growth rate were, first, the slow recovery of the US and world economies, which affected Mexico's exports and investment flows, and second, the rejection of economic reforms by Mexico's congress. The Mexican government expects a GDP to grow three percent in 2003. Again, the projection for this year is made assuming a recovery of the US and world economies, and whether or not the structural economic and tax reforms will be passed by Congress.

The recent exchange rate variability, the war with Iraq and discouraging signs of recovery for the US and world economies will probably have a negative effect on Mexican economic growth, pushing up the consumer price index.

Inflation was also higher than expected at the beginning of 2002; it rose from 5.7 to 4.4 percent in this year.

According to the Government's Economic Program for 2003, private consumption increased 2 percent in 2002, less than one percentage point compared to 2001. According to Mexican government projections, private consumption will increase 3.6 percent during the current year.

Advantages and Opportunities

Advantages	Challenges
<ul style="list-style-type: none"> • Zero tariffs and no quota restrictions for most US milk and dairy imports, except for smp and wmp tariffs and quotas, which will be eliminated in 2008. WTO tariffs 10-45 % 	<ul style="list-style-type: none"> • Prices of US products are more expensive than domestic goods (40 percent higher on average)
<ul style="list-style-type: none"> • US companies have facilities with more integrated trading and distribution infrastructures than those of foreign competitors. 	<ul style="list-style-type: none"> • Higher raw milk production costs than some of the main US foreign competitors (New Zealand, Uruguay and Argentina)
<ul style="list-style-type: none"> • The US government provides financial assistance for dairy product export. 	<ul style="list-style-type: none"> • Adapting products to meet consumer taste and preferences, as well as the overall characteristics of the Mexican market
<ul style="list-style-type: none"> • Lower transportation costs compared to foreign competitors. 	<ul style="list-style-type: none"> • Access to low income market segment.
<ul style="list-style-type: none"> • The Mexican milk and dairy market is growing rapidly. 	
<ul style="list-style-type: none"> • Cultural affinity and business integration with Mexican firms. 	

Market Sector Opportunities and Challenges

There are excellent market opportunities for US dairy products for processing (skim milk powder, whey, butter oil and milk formulas). These account for 70 percent of total dairy imports to Mexico. Imports of consumer-ready milk and dairy products have also been growing fast in the previous years, particularly ice cream, Cheese and fluid milk. The main challenges for US exporters are reducing a 40 percent price difference between US and domestic dairy products while maintaining the competitiveness of dairy exports for processing.

Mexico has become a mature export market that attracts world-class competitors; therefore, price margins have become smaller, particularly for bulk dairy products for processing.

Domestic Competition/ Production Figures

Quality and availability of milk and dairy products have improved over time due particularly to foreign competition, deregulation of price controls and other economic reforms. Brand name is an important factor in consumer loyalty.

Domestic firms are investing in marketing programs and market research to enhance their position in consumer preference and to meet foreign competition. Mexican firms have been successfully competing with imported products. In 2002, imports of consumer-ready milk and dairy products only represented 7.2 percent of total consumption, on average; however, imports have been increasing at high rates in the past three years.

Domestic milk and dairy production has been growing, on average, almost eight percent in the previous five years. Some cheeses, UHT milk and yogurt are products with growth rates between 7 and 12 percent. However, overall growth of the milk and dairy industry in the past two years seems to have slowed down.

Domestic Production of Milk and Dairy Products 2002 (Metric Tons)

Product	Volume
Raw milk (million/liters)	9,600
Fluid Milk (million/liters) 1/	5,100
Milk powder	110,000
Evaporated milk	95,000
Condensed milk	60,000
Yogurt	338,000
Cheese	270,000
Ice cream	350,000
Butter	20,000
Cream	63,000

1/ Pasteurized milk production is growing at low rates, while UHT milk production is increasing rapidly

Source: SAGARPA/INEGI/ INDUSTRY DATA

Imports and Foreign Competition

Mexico will continue importing about 30 percent of total demand of milk for the next several years. Higher milk and dairy consumption, lower prices of imported milk and dairy products for processing, reduction of import tariffs, and subsidies for milk and dairy products in international markets are among the main factors affecting expansion of domestic milk production.

From 1993 to 2001 the value of imports of consumer-ready dairy products increased at an annual rate of 8.4 percent, and the value of imports of dairy products for processing increased at 2.4 percent.

MEXICO: VOLUME AND VALUE OF MILK AND DAIRY IMPORTS, 1993-2001
(Value in Thousand USD and Volume in Tons)

	1993		2001		Variation %		AAR	
	Value	Volume	Value	Volume	Value	Volume	Value	Volume
Products for consumer 1/	159,158	133,567	302,875	148,427	90.30	11.13	8.38	1.33
Products for processing 2/	595,139	369,804	721,267	374,133	21.19	1.17	2.43	0.15
Total	754,297	503,371	1,024,142	522,560	35.77	3.81	3.90	0.47

1/ Includes: fluid milk, evaporated and condensed milk, yogurt, butter, chesse, margarin and ice cream.
2/ Includes: cream, dry milk, whey, butter oil, milk formulas, casein, lactose and other dairy products.
Source: SICM/SE.

According to preliminary data, in 2002 the volume of total Mexican milk and dairy imports increased 3.7 percent over 2001, but decreased 14 percent in value.

In 2001, Mexican milk and dairy imports from the US increased 32 percent over 2000. The high growth in that year was due to the increase of imports of evaporated and condensed milk (86% and 664%), nonfat dry milk (99%), whey (40%), milk formulas (102%) and milk formulas for infants (75%). In 2002 US import volume fell 2.1 percent from the previous year. Still, NAFTA's reduction of tariffs, decreasing rates of growth of domestic raw milk production, and changes established by Mexican congress on administration of NAFTA and WTO quotas continue to favor imports of US dairy products.

MEXICO: Imports of Milk and Dairy Products 2000-2002

Product	Metric Tons									
	Imports 2000		Imports 2001		Variation % 2001/2000		Imports 2002		Variation % 2002/2001	
	Total	US	Total	US	Total	US	Total	US	Total	US
Total	482,003	178,650	536,652	235,712	11.3	31.9	556,612	230,845	3.7	-2.1
Products for consumer	119,674	48,696	133,893	51,826	11.9	6.4	170,633	65,217	27.4	25.8
Fluid milk	34,949	18,771	30,506	16,964	-12.7	-9.6	54,066	21,546	77.2	27.0
Evaporated milk	306	306	798	569	160.8	86.0	1,118	1,087	40.1	91.0
Condensed milk	5,748	141	8,308	1,080	44.5	664.4	11,259	1,632	35.5	51.1
Yogurt	12,059	2,538	12,440	3,077	3.2	21.3	14,391	5,786	15.7	88.0
Butter	1,158	206	2,693	211	132.6	2.6	1,766	239	-34.4	13.0
Cheese	54,091	17,385	66,181	20,556	22.4	18.2	71,529	21,006	8.1	2.2
Icecream	11,364	9,348	12,966	9,368	14.1	0.2	16,503	13,921	27.3	48.6
Products for processing	362,329	129,954	402,759	183,886	11.2	41.5	385,979	165,628	-4.2	-9.9
Cream	9,024	8,908	10,884	10,771	20.6	20.9	14,138	13,970	29.9	29.7
nonfat dry milk	117,640	29,391	129,076	58,581	9.7	99.3	119,897	50,179	-7.1	-14.3
Whole milk powder	33,575	1,950	55,101	234	64.1	-88.0	42,723	304	-22.5	30.1
Whey powder	54,256	48,877	72,691	68,513	34.0	40.2	52,113	49,867	-28.3	-27.2
Butter oil	32,856	1,837	32,055	56	-2.4	-97.0	36,882	2	15.1	-96.1
Dairy and milk dry mixes	67,165	9,678	56,579	19,567	-15.8	102.2	69,552	23,287	22.9	19.0
Casein	16,905	848	16,859	873	-0.3	3.0	17,368	678	3.0	-22.3
Margarine	10,052	10,015	9,422	9,414	-6.3	-6.0	8,939	8,670	-5.1	-7.9
Lactose	15,886	15,178	14,093	13,033	-11.3	-14.1	16,812	16,192	19.3	24.2
Infant formulas	2,587	929	4,540	1,428	75.5	53.8	6,132	1,430	35.1	0.1
Others ^{1/}	2,385	2,341	1,458	1,416	-38.8	-39.5	1,424	1,050	-2.4	-25.9

In 2002, about 30 percent of Mexico's total milk and dairy imports were consumer-ready products (171 thousand MT), and 70 percent were for processing (386 thousand MT). Fluid milk and cheese accounted for 73.6 percent of total consumer-ready milk and dairy imports; whole and nonfat dry milk, whey, butter oil and milk formulas represented 83 percent of total imports of dairy products for processing.

MEXICO: Structure of Imports of milk and Dairy Products, 2002
(Metric Tons)

Product	Imports					
	Total	Product Share		US	Product Share	
		Total	Partial		Total	Partial
Total	556,611	100.0		230,845	100.0	
Consumer-ready products	170,633	30.7	100.0	65,217	28.3	100.0
Fluid milk	54,066	9.7	31.7	21,546	9.3	33.0
Evaporated milk	1,118	0.2	0.7	1,087	0.5	1.7
Condensed milk	11,259	2.0	6.6	1,632	0.7	2.5
Yogurt	14,391	2.6	8.4	5,786	2.5	8.9
Butter	1,766	0.3	1.0	239	0.1	0.4
Cheese	71,529	12.9	41.9	21,006	9.1	32.2
Icecream	16,503	3.0	9.7	13,921	6.0	21.3
Products for processing	385,979	69.3	100.0	165,628	71.7	100.0
Cream	14,138	2.5	3.7	13,970	6.1	8.4
nonfat dry milk	119,897	21.5	31.1	50,179	21.7	30.3
Whole milk powder	42,723	7.7	11.1	304	0.1	0.2
Whey powder	52,113	9.4	13.5	49,867	21.6	30.1
Butter oil	36,882	6.6	9.6	2	0.0	0.0
Dairy mixes	69,552	12.5	18.0	23,287	10.1	14.1
Casein	17,368	3.1	4.5	678	0.3	0.4
Margarine	8,939	1.6	2.3	8,670	3.8	5.2
Lactose	16,812	3.0	4.4	16,192	7.0	9.8
Infant formulas	6,132	1.1	1.6	1,430	0.6	0.9
Others ^{1/}	1,423	0.3	0.4	1,049	0.5	0.6

^{1/}Lactose, mixes for bakery, etc.

The US is becoming the largest exporter country of milk and dairy products to Mexico. In 2002, US share of milk and dairy imports for consumers averaged 38.2 percent, and accounted 43.0 percent of total imports of milk and dairy products for processing.

By and large, the US has become almost the sole exporter to Mexico of evaporated milk (97.2%), ice cream (84.4%), whey powder (96.7%), cream (98.8%), margarine (97.0%), and lactose (96.3%). The US is also a major exporter to Mexico of fluid milk (40.0%), yogurt (40.2%), non-fat dry milk (42.0%), milk formulas (33.5%), and other milk and dairy products for processing (73.7%), like lacto albumin, milk formulas for bakery, etc.

The major US competitors for the Mexican dairy market are New Zealand, the European Union (Holland, Belgium, Ireland, England, Germany and France), and more recently, Uruguay and Argentina.

New Zealand is the second supplier of milk and dairy products to Mexico with a share of 18.3 percent in 2002. In 2002, Mexico imported 102.0 billion tons from New Zealand, an increase of 42.3 percent over 2001.

Mexico: US share of Imports of Milk and Dairy Products 2002

(MT)

Product	Imports		US Share %	Main Foreign Competition
	Total	US		
Total	556,611	230,845	41.5	
Consumer-ready products	170,633	65,217	38.2	
Fluid milk	54,066	21,546	39.9	Uruguay, 59.5
Evaporated milk	1,118	1,087	97.2	Chile
Condensed milk	11,259	1,632	14.5	Chile, 81.7
Yogurt	14,391	5,786	40.2	New Zealand, 42.2
Butter	1,766	239	13.5	New Zealand, 49.2; Uruguay, 23.3
Cheese	71,529	21,006	29.4	Uruguay, New Zealand, Germany, Argentina (49.0)
Icecream	16,503	13,921	84.4	Chile, 10.0
Products for processing	385,979	165,628	42.9	
Cream	14,138	13,970	98.8	
non-fat dry milk	119,897	50,179	41.9	New Zealand 18.0, Canada 17.0
Whole milk powder	42,723	304	0.7	New Zealand 67.0, UK 29.0
Whey powder	52,113	49,867	95.7	
Butter oil	36,882	2	0.0	New Zealand 56.0, Belgium 18.0, Australia 14.0
Dairy mixes	69,552	23,287	33.5	Ireland 13.0, Germany 11, Holland and Belgium 8.0
Casein	17,368	678	3.9	New Zealand 44.0, Poland 28.0, France 6.0
Margarine	8,939	8,670	97.0	
Lactose	16,812	16,192	96.3	
Infant formulas	6,132	1,430	23.3	Ireland 37.0, Holland & Belgium 34.0
Others ^{1/}	1,423	1,049	73.7	Holland and Belgium 23.0

^{1/}Lactose, mixes for bakery, etc.

Market Size/Structure/Trends

Consumption of milk and dairy products in Mexico is growing at an annual rate of more than five percent. Total consumption of milk and dairy products is estimated at 13.6 billion liters. All milk for direct consumption (fluid, powder, condensed and evaporated) represents 69 percent of total consumption, while other dairy products (cheese, yogurt, cream, butter, ice cream, etc.) account for the remaining 31 percent. The consumption structure of milk and dairy products in Mexico is different from that of developed countries like the US or the European Union, where most milk consumption is made up of processed products such as cheese, yogurt and butter.

Annual per capita consumption of milk and dairy products in Mexico is about 135 liters, lower than per capita consumption in developed countries, which is estimated at 230 liters annually.

Family Expenditure on Milk and Dairy Products

In Mexico, family expenditure on milk and dairy products represents about 11 percent of total expenditures, which amounts to around 1.5 billion dollars, with fluid milk accounting for 70 percent of that.

Upper and middle-income brackets grew about 35 percent in the last years, increasing the number of potential costumers for imported dairy products; however, the two lower income brackets comprise about 65 percent of the population.

The national industry has been forced to reduce its price-cost margins in order to remain competitive with foreign competition. Milk and dairy price margins of domestic products are between 40 and 60 percent lower than those of imported dairy goods.

Fluid milk

According to industry data, domestic production of fluid milk is about five billion liters per year (official data reports around 3.8 billion liters). The share of pasteurized milk in fluid milk production has been declining in the previous years, while production of UHT fluid milk has been growing more than seven percent per year. The main reasons for this are the lack of proper refrigerated storage facilities and distribution vehicles. Most of milk production is packed in one-liter cartons. About 69 percent is pasteurized milk and 31 percent is UHT. Most of UHT milk is consumed in central and southern Mexico.

The main domestic fluid milk producers are “Grupo Lala, Alpura, Gilsa, Grupo Zaragoza, Lechera Guadalajara, Jersey and Evamex.” These firms account for about 80 percent of all domestic production of fluid milk. Most of these firms also produce other dairy products, but they have no market leadership.

According to industry and marketing firms, 85 percent of pasteurized milk production is marketed through small grocery stores called “*misceláneas* and *abarrotes*,” supermarket chains account for the remaining 15 percent. About 25 percent of UHT milk sales are through supermarkets.

In 2002, imports of fluid milk increased 77 percent over 2001. US share in that year was 40 percent, and the main foreign competitor was Uruguay with a share of almost 60 percent. The main importers of fluid milk are Grupo Lala (importing from Uruguay) and some supermarket chains (importing from the US). Imports of fluid milk do not have an important market share (less than one percent of total milk and dairy imports).

NAFTA 2003 tariff: Zero %, WTO tariff: 10%

Milk powder, condensed and evaporated milk

Production of milk powder is estimated at 110 thousand metric tons. Nestlé produces around 90 percent of milk powder in Mexico. In the previous five years milk powder production grew at a 5.3 percent annual rate. Almost 100 percent of milk powder is packaged as consumer-ready products.

Liconsa and Nestlé import more than 80 percent of all milk powder imports for processing; this is used to produce milk and dairy consumer-ready products.

Nestlé produces all condensed and evaporated milk in Mexico; current production is estimated at about 60,000 and 95,000 tons, respectively. Condensed milk production grew about 6 percent

annually in the past five years, while evaporated milk production declined 17.2 percent, in the same period.

Small retailers account for about 70 percent of market share and supermarket chains have the remaining 30 percent. Wholesalers play an important role in the distribution system of these products.

According to official data, in the past three years the industry of condensed, evaporated and powdered milk grew at an average rate of 9.5 percent. However, the current industry gross domestic product is at the same level of 1994.

Milk Powder: NAFTA quota: 52,191 metric tons. Additional tariff free quota: 13,048 metric tons. Over quota tariff: 58.7 %. WTO quota: 80,000 metric tons. Additional tariff free quota: 20,000 metric tons. Over quota tariff: 128 %.

Condensed milk: NAFTA tariff, 1.5%; WTO tariff AMX: **Evaporated Milk:** NAFTA tariff, 2% WTO tariff, 45%.

Cheese, cream and butter

The Mexican cheese, cream and butter industry has grown at an average rate of 10 percent during the past three years.

Domestic production of cheese is estimated at 270 thousand metric tons; 20 percent of cheese production is by artisan factories. In 2002, Mexico imported 71.5 thousand tons of cheese. Imports of cheese from the US accounted for 29 percent of total imports, a 6.1 percent share of the cheese market in Mexico. The main foreign competitors are New Zealand, the European Union and Uruguay.

The main cheese producers in Mexico are Chilchota, Grupo Teclac, Grupo Esmeralda, Lamesa, Lácteos Finos Mexicanos, Nestlé, Sigma Alimentos, Grupo Cuadritos, Covadonga, Kraft Foods and Evamex. These firms account for 90 percent of the formal cheese production of Mexico.

Cream and butter production is estimated at 60,000 and 20,000 tons, respectively. In 2002, Mexico imported 14,138 metric tons of cream and 1,766 metric tons of butter. Most of the cream imports were by Alpura, to complement its cream production. The leading companies are Alpura, Lala, Unilever, Carrancedo Alimentos, Unifoods, Cremería Aguascalientes and Cremería Eugenia.

Artisan production of cream and butter is estimated to be between 30 and 35 percent of total production. Most of these products are sold in bulk in small cities, and to wholesalers in regional markets and large cities, using local and regional brands or no brand name at all.

More than 80 percent of cream and butter production is marketed through small retailers, although supermarkets have been gaining market share in the last years, particularly in cheese market, which holds 35 percent of total sales.

Cheese: NAFTA 2003 tariff, fresh 2%; all other zero %. WTO tariff, fresh 45%; all other 20%.

Cream: NAFTA 2003 tariff, zero %; WTO tariff 10%; **Butter:** NAFTA 2003 tariff, zero %; WTO tariff 20%.

Yogurt: NAFTA 2003 tariff zero %; WTO tariff 20.0%.

Domestic production of yogurt is estimated at 338 thousand tons. Fruit flavor is added to around 80 percent of yogurt production, and 20 percent is natural. Yogurt production in Mexico is

growing at more than 12 percent annually. Artisan production is also important, particularly in small cities and regional markets. The main domestic producers of yogurt in Mexico are Danone, Sigma Alimentos, Nestlé, Alpura, La la, Grupo Chen and Chilchota.

In 2002, Mexico imported 14,391 tons of yogurt (1,580 tons packaged for the direct consumer market and 12,811 tons for processing). The US accounts for 73 percent of consumer-ready yogurt imports and 36.2 percent of imports for processing. The main foreign competitors for consumer-ready yogurt imports is Spain, 14.7 percent, and Austria, 7.8 percent. New Zealand is the main competitor for imports of yogurt preparations for processing (47.4%).

Small retailers hold 70 percent of total sales, while supermarkets account for the remaining 30 percent.

Ice cream: NAFTA 2003 tariff: zero %; WTO tariff: 20%

Domestic ice cream production is estimated at 350 000 metric tons. Ice cream production is growing at high rates in Mexico. Small artisan factories play an important role in small and medium size cities. The market leaders are Nestle and Unilever, with their Nestlé, Holanda and Bing brands. But the ice cream market is distributed among a large number of small factories producing artisan products (paleterías).

In 2002 Mexico imported 16,503 metric tons of ice cream. The US accounts for 84.4 percent of total ice cream imports. The main foreign competitor is Chile, with 10 percent. Seventy five percent of sales are through small retailers and artisan factories (paleterías), while supermarkets account for the remaining 25 percent.

Entry Strategy

Business culture

Importers and domestic firms are familiar with international trade practices. Some of them are integrated with foreign firms or they are multinational corporations. Most businesspeople have experience in trade activities and speak English, so language is not an important barrier to entry.

Importers and local and regional distributors play an important role, since most retailers, including supermarket chains, do not import directly. Most importers and domestic distributors are linked to brokers and foreign business representatives.

Trade Events

Trade event	Host Organization	Place	date
Retailers trade show (ANTAD)	National Supermarket and Department Stores Association (ANTAD)	Guadalajara, Jalisco	March
Dairy Industry Convention	Milk and Dairy Industry Chamber	Huatulco (each year change place of celebration)	May
Producers annual Assembly and trade show	National Milk Producers Association (ANGLAC)	Torreon, Coahuila	March
International Milk and Dairy Forum	National Milk Producers Association (ANGLAC)	Guadalajara, Jalisco	July

Import Requirements

Tariffs/Taxes/Quotas

In 2003, NAFTA's import Tariffs were eliminated for all fluid milk and dairy products, with the exemption of skim and whole milk powder, which will continue under the tariff-quota system until 2008. The milk powder quota for 2003 is 52,191 MT. Mexican congress established an additional 25 percent duty-free quota (13,048 MT). The over quota tariff is 58.7 percent.

WTO tariffs of milk and dairy products are between 10 and 45 percent. WTO quota of nonfat dry milk and whole milk powder is 80,000 tons. Also, congress established an additional 25 percent duty-free quota. The over quota tariff is 128 percent.

Starting in 2001, the Mexican government established a WTO free tariff quota of 44,200 tons for dry meal formulas with more than 50 percent milk solid content (1910.90.05). The over quota tariff is 109 percent. Imports of dry milk formulas from the US have no tariff or quota restrictions.

Phytosanitary or Sanitary requirements, Health Requirements and other non-tariff requirements.

Regulations	General Specifications	Authority
Health General Law	Sanitary regulations that processed milk and dairy products must meet in order to be marketed	Secretariat of Health
Sanitary and Phytosanitary import permit for raw milk	All imports require an import permit issued by the Phytosanitary Government Office	Secretariat of Agriculture
NOM-036-SSA 1993	Ice cream and similar product sanitary specifications	Secretariat of Health
NOM-184-SSA1-2002	Sanitary requirements for milk, milk formulas, and their substitutes	Secretariat of Health
NOM-185-SSA1-2002	Sanitary requirements for butter, cream, condensed milk products, fermented and acidified milk products, and milk candies.	Secretariat of Health
NOM-035-SSA1-1993	Cheese made from whey, sanitary requirements	Secretariat of Health
NOM-121-SSA1-1994	Sanitary requirements for fresh cheese, matured and processed cheeses.	Secretariat of Health
PROY-NOM-155-SCFI 2001	All milk, milk formulas, combined milk products.- Denomination, commercial information and proof methods (to be published)	Secretariat of Economy

c. Labeling

Domestic and imported dairy products must meet labeling requirements established in mandatory norms, regulated by the Health and Economy Secretariats.

The most important regulations are:

Regulation	General Specifications	Authority
NOM-051-SE-1994 "Labeling specifications and requirements for packaged food and non alcoholic beverages"	Commercial information of product must be printed in Spanish on labels	Secretariat of Economy
Health General Law	Establish	Secretariat of Health
NOM-086-SSA-1994	All food and beverages that suggest special nutritional properties, most specified such nutritional content in the label	Secretariat of Health

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Government and Associations

Title	e-mail/page
Secretariat of Economy	www.economia.gob.mx
Secretariat of Agriculture	www.sagarpa.gob.mx
Secretariat of Health	www.salud.gob.mx
Liconsa	www.liconsa.gob.mx
Dairy National Industry Chamber (CANILEC)	canilec@supernet.com.mx
Manufacturing National Industry Chamber,	www.canacintra.com.mx

Dairy products Section 61	
National Association of Retail and Department Stores (ANTAD)	www.antad.org.mx
National Producer Association (ANGLAC)	anglac1@terra.com.mx

Private Sector

Company	e-mail/page
Nestle, S.A. de C.V.	www.nestle.com.mx
Chilchota,	comprasint@chilchota.com
Grupo Chen-Normex	
Grupo Esmeralda	delesap@unisono.net.mx
Sigma Alimentos, S.A. de C.V.	www.sigmaalimentos.com
Danone Mexico, S.A. de C.V.	www.danone.com.mx